# Clean Air Act Compliance Inspection Report

United States Environmental Protection Agency
Region 10 – Seattle, WA

## *Clean Air Act Full Compliance Evaluation Inspection Report*

# Tesoro Logistics Operations LLC – Pocatello Terminal

**Pocatello, Idaho**

**Inspection Date: July 20, 2022**

Bryan Lange Digitally signed by Bryan Lange Date: 2022.09.15 13:03:07 -04'00' September 15, 2022

Report Author Signature Date

Bryan Lange
U.S. Environmental Protection Agency, Contract Inspector
Eastern Research Group

ELIZABETH WALTERS Digitally signed by ELIZABETH WALTERS Date: 2022.09.15 12:27:48 -07'00' September 15, 2022

Peer Review Signature Date

Elly Walters
CAA/TRI Enforcement Officer
EPA Region 10

DERRICK TERADA Digitally signed by DERRICK TERADA Date: 2022.09.15 16:59:33 -07'00'

Section Chief Signature Date

Derrick Terada
ATES Section Chief
EPA Region 10

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# Attachments

## 1. Basic Facility and Inspection Information

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|---|---|
| Facility: | Tesoro Logistics Operations LLC – Pocatello Terminal<br>1189 Tank Farm Road,<br>Pocatello, ID 83204 |
| AFS/FRS Number: | 110000789834 |
| State Facility ID: | 077-00023 |
| SIC: | 5171 (Petroleum Bulk Stations & Terminals) |
| NAICS: | 424710 (Petroleum Bulk Stations and Terminals) |
| Permit Number: | Idaho Permit to Construct P-2016.0020 |
| Facility Contacts: | Jason Paul<br>Plant Manager<br>(208) 914-4741<br>Tesoro Logistics Operations LLC – Pocatello Terminal<br>JPaul@marathonpetroleum.com |
| Inspectors: | Bryan Lange<br>U.S. Environmental Protection Agency, Contract Inspector<br>Eastern Research Group<br>1600 Perimeter Park Drive<br>Morrisville, NC 27560<br>(919) 622-2374<br>Bryan.Lange@erg.com<br><br>Shayne Aytes<br>Air Quality Compliance Officer<br>Idaho Department of Environmental Quality<br>Pocatello Regional Office<br>(208) 239-5009<br>Shayne.Aytes@deq.idaho.gov<br><br>Heidi Orr<br>Air Quality Compliance Officer<br>Idaho Department of Environmental Quality<br>Twin Falls Regional Office<br>(208) 737-3873<br>Heidi.Orr@deq.idaho.gov |
| Date of Inspection: | July 20, 2022 |

Inspection Start/End Times: 1:20 pm – 5:00 pm MST

Inspection Notice: This was an announced inspection.

Mr. Lange phoned and emailed the EHS Professional, Oliver B. Dugas on July 14, 2022. Mr. Dugas signed the Gasoline Distribution MACT Semiannual Report submitted on January 25, 2022.

This was a Clean Air Act (CAA) compliance inspection by and Environmental Protection Agency (EPA) Contractor. Inspector Mr. Lange, of Eastern Research Group, led the inspection. The state air agency was made aware of the inspection beforehand and participated in the inspection. The purpose was to identify potential compliance concerns with CAA regulations, specifically to gather information to determine if the facility is in compliance with its Permit-To-Construct (PTC) permit and with the NESHAP subpart R (Gasoline Distribution MACT).

Disclaimer

This report is a summary of observations and information gathered from the facility at the time of the inspection and from a subsequent records review. The information provided does not constitute a final decision on compliance with CAA regulations or applicable permits, nor is it meant to be a comprehensive summary of all activities and processes conducted at the facility.

**Facility/Process Description:**

The following facility description is based on information provided by a facility representative in the opening conference as well as information found on-file regarding permits and prior inspections.

This terminal is an industrial facility for the storage of oil, petroleum, and petrochemical products. From this location, these products are transported to end users or other storage facilities by tanker truck. This terminal has a variety of above ground fixed roof and internal floating roof tanks.

The Tesoro terminal is subject to the Performance Standards for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984 (40 CFR Part 60, Subpart Kb), the Performance Standards for Bulk Gasoline Terminals (40 CFR Part 60 Subpart XX), and the Emission Standards for Gasoline Distribution Facilities (Bulk Gasoline Terminals and Pipeline Breakout Stations) (40 CFR 63 Subpart R).

## 2. Compliance History

In the past 5-years, Tesoro has not been the subject of either formal or informal enforcement actions. During that same period, two compliance monitoring events occurred. On June 27, 2018,

Idaho conducted an on-site partial compliance evaluation. On October 14, 2021, Idaho conducted a RCRA inspection.[1]

June 27, 2018, Idaho DEQ conduced an on-site inspection and the facility was found in compliance at the time of the inspection.

## 3. Records Review Prior To The Inspection

Prior to inspection, Idaho DEQ shared copies of these items and each was reviewed:

- January 25, 2022 - Semiannual compliance reports pursuant to 40 CFR 63, Subpart R – NESHAP for Bulk Gasoline Terminals and Pipeline Breakout Stations (July to December 2021).
- January 27, 2021 - Semiannual compliance reports pursuant to 40 CFR 63, Subpart R – NESHAP for Bulk Gasoline Terminals and Pipeline Breakout Stations (January to June 2021).
- June 27, 2018 - Idaho report documenting an on-site inspection.
- January 10, 2017 - PTC No. P-0216.0020 and the statement of basis.

## 4. Inspection Elements/Order

### a. Pre-Inspection Observations

Before entering the facility property, Mr. Aytes, Ms. Orr, and Mr. Lange ("the inspectors") drove the perimeter, to the extent that it was possible. Neither dust nor odors were noted prior to the scheduled inspection.

### b. Entry and Opening Conference

The inspectors arrived at 1:20 pm MST on July 20, 2022. The inspectors presented identification cards and explained that they were at the facility to conduct a CAA permit inspection. The opening conference included a detailed discussion of the following: 1) how product is received, 2) the vapor combustion unit, and 3) loadout protocol.

The inspectors explained that the inspection would consist first, of a review of the PTC conditions and second a walk-through where Mr. Lange would survey the terminal equipment for gas leaks with a FLIR infrared camera.

The inspectors also explained that following the inspection, Mr. Aytes will leave a carbon copy of an Idaho DEQ Air Quality Compliance Inspection Preliminary Inspection Findings Form (PIFF) documenting the inspection details and Mr. Aytes will keep the original.

The following details are based on information provided by facility representatives:

[1] See https://echo.epa.gov/

Product - All products are received via 8-inch gas pipeline (i.e., premium unleaded gasoline, regular unleaded gasoline, diesel, and No. 1 diesel is available seasonally). Individual products are separated in the pipeline by a transmix.[2] Ethane is received via truck and blended to export.

Loadout protocol - All product leaves the facility via tanker truck. Loadout racks accommodate unique gasoline products, each with a proprietary mixture of additives (like a soda fountain). Loadout protocols are designed to minimize vapor releases to comply with the Gasoline Distribution MACT. Protocols require that drivers be granted an ID once they complete on-the-job training. Drivers must register and log vehicle information into the system before a product load is delivered. Maintained in the system is each vehicles vapor tightness documentation. If documentation is out of date, then no loadout can occur. Vehicles must also pass a sensor check before loadout can begin. Loadouts occur 24-hours a day. Tanker trucks hold approximately 10,000 gallons.

Vapor combustion unit (VCU) - The VCU is an enclosed combustion device that destroys 95% of VOC in the exhaust vapors from the truck loadout. Terminal staff have considered replacing the VCU with a vapor recovery system, but at the facilities current throughput the capital costs are not offset by the recovered product. No truck loadouts can occur if the VCU is not operating. The unit can accommodate a vapor flow of 38,000 gallons per minute or flow from 8 separate loadout racks.

The opening conference concluded with a discussion of procedure to document odor controls. Mr. Paul indicated that no odor complaints had occurred since the fall of 2017.

**c. On-site Records Review**

Immediately following the opening conference, the inspectors asked to see records related to 1) product throughput, 2) loadout vapor controls, and 3) routine leak inspections.

Product - Inspectors reviewed 2021 throughput records and the totals were less limits included in the PTC. The business sensitive records were not collected or recorded.

Loadout - Inspectors reviewed an example of vapor tightness documentation. Terminal staff allowed inspectors to observe the extensive cameras and “G3” software that track product flow.

VCU inspections – Staff shared vendor VCU performance data that demonstrated compliance with the destruction and capture efficiencies included in the PTC. Every 6-months, staff conduct a VCU system check. Staff shared documentation of the last VCU shutdown that occurred March 29, 2022.

[2] When pipeline flow and pressure are high, the mixing between pipeline products is small compared to the refinery batches on either side of it. The mixing, called transmix, is reserved in storage tanks and later returned to the refinery (Fundamentals of Petroleum, 5th Edition. 2011. The University of Texas at Austin – Petroleum Extension Service).

Tank inspections – Electronic and paper records for tanks inspection were reviewed. Monthly, a technician inspects each tank looking for visible gaps and hunt odors. Staff also looks for product loss. Annually a more comprehensive inspection occurs. Every 5-years tank seals are replaced.

## 5. Facility Walk-Through

There was a requirement that persons near terminal equipment wear flame resistant clothing. Tesoro was able to provide a single jumpsuit that met that requirement. Mr. Lange wore the jumpsuit for the walk-through.

Technician Mr. Daniel Anderson led Mr. Lange to four locations along the terminal product path. At each location, the FLIR camera was used to check for gas leaks. None were found.

1. Pipeline where product is received from the upstream refinery.
2. The top of a representative storage tank. Using the FLIR Mr. Lange looked inside the hatch to view the floating roof seal. All tanks were well maintained. There were no visible signs of leak or odors.
3. The pumps that transport product to the loading rack, and
4. The tanker truck loadout rack where the loadout of a vehicle was observed.

The walk-through ended at approximately 4:45 pm MST.

## 6. Closing Conference

At 4:45 MST, Mr. Lange returned to the facility conference room to discuss the inspection and conduct the closing conference. Mr. Lange led the closing conference and summarized the parts of the facility we had visited during the inspection and our observations related to CAA. I went through my inspection notes and described a single potential compliance concern from the inspection.

1. The semiannual 40 CFR 63, Subpart R compliance reports include this statement about the required recordkeeping for the continuous monitoring data as specified in 40 CFR 63.428(c): “Records are available at the terminal.” Mr. Paul explained that he did not understand the specific records described by the statement. Mr. Lange suggested: 1) that a dialogue occur between the author of the semiannual report, the plant manager, and Administrator to define the necessary reporting and recordkeeping requirements to document the operation of the VCU (a.k.a., vapor processing system) and 2) the language in future semiannual report be more specific.

Mr. Aytes presented Mr. Paul with carbon copy of an Idaho DEQ Air Quality Compliance Inspection PIFF further documenting the inspection details and preliminary status of in-compliance determination at the time of the inspection. See attachment 1.

The inspectors departed the facility at 5:00 pm MST.

There are no post inspection activities related to the July 20, 2022, inspection.